

STATUS OF THE HOOVER REPORT 1949-1953

*A Citizen's Guide to the Progress of Federal Reorganization
From Creation of the Original Commission on Organization
of the Executive Branch of the Government
to the End of the First Session of the 83d Congress*

VOLUME TWO

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Action on Recommendations of the First Hoover Commission

SEPTEMBER, 1953

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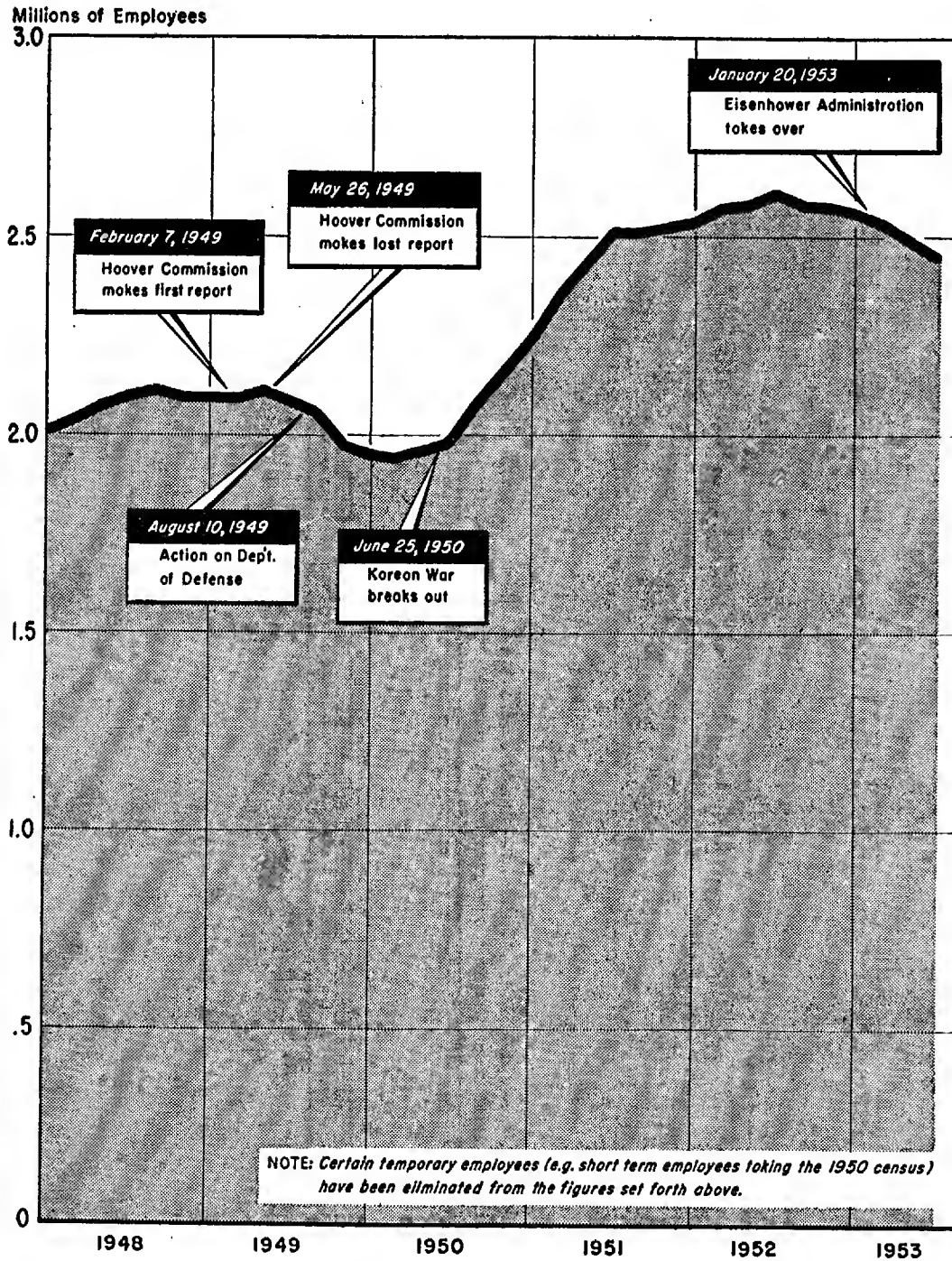
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Sidney A. Mitchell, Executive Director

This report is a recommendation-by-recommendation analysis of results from the work of the Hoover Commission. It has been prepared for reference use by the members of the Citizen's Committee, the Press and Students of Government. Full details on the findings and recommendations of the Commission can be found in the Commission Reports themselves.

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Washington 5, D. C.**

TOTAL CIVILIAN EMPLOYMENT in the Executive Branch of the Federal Government



Sources: U.S. Civil Service Commission and Joint Committee on Reduction of Nonessential Expenditures

ACTION ON RECOMMENDATIONS OF THE HOOVER COMMISSION

The Commission on Organization of the Executive Branch of the Government under the chairmanship of former President Hoover began its work in September, 1947, and made its final report to the Congress in May, 1949.

The Commission made a total of 273 recommendations and suggestions for more efficient and economic administration of the Government. Some 196 of the recommendations and suggestions have at this date (September, 1953) been wholly or partially adopted by either Executive, administrative, or Congressional action.

The results of these reforms have been obscured by the vast increase in Federal expenditures due to the Korean War, our defense rearmament, foreign aid, and increased public works. The Federal Budget has been increased from a rate of about \$40.1 billions annually at the time of the Commission to a rate of about \$72.1 billions annually at the present time.

That the work of the 1947-49 Commission has contributed to more efficient and more economical conduct of the Executive Branch is indicated by the fact that, despite the increase in Federal activities as shown by the increasing budget, the number of civilian employees decreased between the time that the reports were made and the outbreak of war in Korea. And, over the last six months, reductions have also occurred. The chart facing this page indicates these changes.

Further decreases may be expected from the Commission's recommendations which have been adopted so far during 1953.

Further details indicating the recommendations now adopted and those still remaining are as follows:

SUMMARY

Recommendations Made by the Commission ¹	273.0 (100%)
Deduct: Accomplished	116.4 (42.6%)
Mostly Accomplished	35.0 (12.8%)
Partially Accomplished	44.6 (16.4%)
	196.0 (71.8%)
Recommendations Remaining	77.0 (28.2%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations. ²	11.3 (4.1%)
Important Remaining Recommendations of the Commission	65.7 (24.1%)

There follows an analysis of action on the 18 Reports. It consists of two sections. Section I is *An Analysis, Recommendation by Recommendation*. Section II is a review of the important proposals remaining, entitled *Unfinished Business*. The 19th Report, *Concluding Report*, was a general summary and is not included in these analyses. Appendix A is a reconciliation of various estimates of the number of recommendations made by the Commission.

¹ The exact number of recommendations made by the Commission is subject to varying statistical interpretations. The two principal variable factors are these: (1) some recommendations are partially duplicative of others; (2) some recommendations contain subparagraphs in which are made several distinct and separate proposals. In these statistical tabulations, each of the 273 numbered recommendations is included as one item. It should be recognized that the tabulations herein are numerical only. No weighting of the relative importance of recommendations has been made, and hence, these summary figures are only an indication of progress made. Certain figures have been "rounded off" in this table and elsewhere.

² In the 18 statistical tabulations which follow, remaining recommendations, which are obsolete, no longer of importance, etc., are marked with three asterisks ***.

SECTION I

An Analysis, Recommendation by Recommendation

The following compilation gives separate consideration to each of the 273 numbered recommendations. The extent of accomplishment on each is classified under one of four self-explanatory headings. The first column is headed "yes," meaning that the recommendation is accomplished in full. The second column is headed "Mostly Accomplished." The third column is headed "Partially Accomplished." The fourth column is headed "No," meaning no affirmative action in the recommendation. For the most part, the classifications here made are based upon data received from official sources, but the actual classifications made are those of The Citizens Committee for the Hoover Report. It must be recognized that the appraisal of the data on any single recommendation will be subject to varying interpretations.

SECTION I

An Analysis, Recommendation by Recommendation

REPORT NO. 1

GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

Recommendations Made by the Commission		27 (100%)
Deduct: Accomplished	12 (44%)	
Mostly Accomplished	6 (22%)	
Partially Accomplished	8 (30%)	
		26 (96%)
Recommendations Remaining		1 (4%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		0
Important Remaining Recommendations of the Commission		1 (4%)

27 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. An Office of Personnel, headed by the Chairman of the Civil Service Commission, and a staff secretary in the White House Office should be added to the Executive Office of the President.	X				1953
2. Statutory authority over the operating departments should not be vested in any staff member or staff agency of the President's office.		X			1949-53
3. President should not be prevented by law from reorganizing his office.**			X		—
4. Head of each staff agency in the President's office should be appointed by the President without confirmation by the Senate except for the Civil Service Commission.			X		—
5. Council of Economic Advisers should be replaced by an Office of the Economic Adviser, headed by one person.	X				1953
6. Membership and assignment of Cabinet committees to advise the President on policy issues should be determined by the President.		X			1949-53
7. National Security Council and National Security Resources Board should be made a part of President's office. Composition should be revised so that President can determine membership and assignments.	X				1950
8. Interdepartmental committees should be inventoried by the President's office at least once a year and terminated when work is finished.**			X		—
9. President should be given adequate funds for advisory commissions and consultants or personal advisers.	X				1949
10. President should have a staff secretary to clear information on major projects within President's office or under consideration by interdepartmental committees.	X				1953

** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

Recommendations

11. An Office of Personnel under direction of the Chairman of the Civil Service Commission should be established in the President's office.
12. Agencies of the executive branch should be grouped into departments by major purposes.
13. Within each department, subsidiary bureaus should be grouped by major purposes.
14. Department heads should hold full responsibility for the conduct of their departments. A clear line of authority should reach down through the organization, and no subordinate should have authority independent from that of his superior.
15. Decentralization into operating agencies of services such as accounting, budgeting, recruiting, and managing of personnel, under standards established for the entire executive branch.
16. Adequate staff assistance for department heads.
17. Consolidation of 65 agencies under the direct supervision of the President into one-third of that number.*
18. Each department head should receive from Congress authority to organize his department and to control its administration.
19. Bureau chiefs and staff officials should be appointed by the department heads, and proper consideration given to promotion of career employees.
20. Department heads should be given authority to assign appropriated funds to that unit in his department which he believes best able to effect the will of Congress.
21. Standard nomenclature should be adopted for internal operating units of each department.
22. Administrative regions and regional headquarters should be more nearly comparable geographically.
23. Greater integration of pooled centralized administrative services.
24. Reporting and inspection practices should be strengthened.
25. Field relationships with State and local officials should be standardized.
26. Public Buildings Administration should have expanded responsibility for providing space for field offices.
27. Manuals of instruction should be revised and simplified.

	Accomplished				Date
	Yes	Mostly	Partially	No	
X					1953
			X		—
		X			1949-53
X					1950-53
			X		—
X					1949-53
				X	—
X					1949-53
		X			1949-53
X					1949-53
		X			1949-53
			X		—
X					1949
		X			1949-53
			X		—
X					1949
			X		—

* See Section II, *Unfinished Business*.

REPORT NO. 2

PERSONNEL MANAGEMENT

Recommendations Made by the Commission		29.0 (100%)
Deduct: Accomplished	11.0 ¹ (38%)	
Mostly Accomplished	1.2 ¹ (4%)	
Partially Accomplished	<u>8.9¹ (31%)</u>	
		21.1 ¹ (73%)
Recommendations Remaining		<u>7.9¹ (27%)</u>
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		0.0
Important Remaining Recommendations of the Commission		<u>7.9¹ (27%)</u>

29 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. (a) The Civil Service Commission should place primary emphasis on staff functions rather than on processing a multitude of personnel transactions.	X				1949 & 1953
(b) Civil Service Commission should be reorganized at top.	X				1949 & 1953
(c) All agencies should have a director of personnel on their top management-staffs.	X				1949
(d) Civil Service Commission should develop standards for operation of personnel offices.	X				1949-50
2. (a) Primary responsibility for recruiting and examining Federal employees should be placed on the departments and agencies.			X		—
(b) Appointing officers should be given more leeway than the "rule of three" in selection of personnel.*				X	—
(c) Greater emphasis should be placed on programs to attract first-rate young people.	X				1949-53
3. (a) Congress should establish a pay policy.*				X	—
(b) Authority to evaluate jobs for pay purposes should be delegated to the agencies under standards established by the Civil Service Commission.		X			1949
(c) Congress should authorize the President to issue and enforce rules providing rewards for supervisors whose actions reduce the number of Federal employees.	X				1949
(d) Pay rates for certain positions should be related to locality or industry differentials.**			X		—
(e) Adequate salaries should be provided for top civil-service employees with exceptional qualifications.	X				1949
4. (a) A promotion program should be set up by each agency.	X				1949-50
(b) Civil Service Commission should develop a promotion program crossing agency lines.**			X		—
(c) Executive branch should provide training for promising career employees.*				X	—
(d) Employee participation in formulation of personnel policy.**			X		—
(e) Efficiency rating system should be simplified.	X				1950
5. (a) Reduction-in-force legislation should be amended.*				X	—
(b) More workable method of separating inefficient employees.	X				1949-50

¹ Figures here used have been "rounded off."* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
6. President should require all major agencies to recruit, examine, and appoint employees for high-level positions, those peculiar to the agencies and others which the Civil Service Commission decides can be filled more effectively by the agencies.**			X		—
7. Applicants for civil-service posts should be rated by categories such as "outstanding," "well qualified," and "unqualified".**				X	—
8. Veterans should be considered before nonveterans in each category above.*				X	—
9. Nation-wide recruiting system for veterans should be operated through selected agencies for the next 3 or 4 years. (From 1949)			X		—
10. Each agency should be required to recruit each year a specified number of young people for subordinate posts.**			X		—
11. Salary ceiling of \$10,330 for career employees should be raised. Legislative, judicial, and executive salaries at level of Assistant Secretary also should be raised.	X				1949
12. President should direct agencies to work out promotion programs, and Civil Service Commission should enforce the President's directive.	X				1949-50
13. Civil Service Commission should be required to identify jobs which are administrative in nature.			X		—
14. Civil Service Commission should be authorized to concentrate on a program to facilitate transfer of career personnel between agencies.	X				1949
15. Congress should enact legislation setting forth policy on conduct of training programs for civilian employees.*				X	—
16. Congress should enact a comprehensive pay administration policy for the executive branch.*				X	—
17. Congress should limit its pay legislation to setting minimum and maximum rates within which all adjustments are to be made.*				X	—
18. Civil Service Commission, subject to approval of the President, should have responsibility for establishment of individual pay scales and fixing standards of job evaluation in all agencies.**			X		—
19. Locality and industry pay differentials should be considered in setting pay scales for clerical, subprofessional, postal, and "blue collar" jobs.*				X	—
20. President should be authorized to direct the Civil Service Commission to review Nation-wide pay rates annually and to recommend adjustments.			X		—
21. President should require agencies to provide for employee participation in formulation of Federal personnel policies.**			X		—
22. (a) Efficiency rating system should be replaced by "ability and service record" ratings.	X				1950
(b) "Ability and service record" ratings should not be used as a basis for periodic salary increases, determination of order of lay-offs, or institution of dismissal actions.	X				1950

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

Recommendations

23. (a) Legislation and regulations governing reductions in force should be changed to provide realistic ranking of employees, simplify procedures, and modify absolute retention preference for veterans.*
 (b) Ranking of employees for retention should be on basis of which should be retained rather than which should be eliminated.*
 (c) Career employees laid off in reduction in force should be given special consideration for other Federal jobs.
24. A simple, clear-cut, and intelligent procedure for discharge of incompetent employees should be instituted.**
25. Periodic salary increases should be granted only when the supervisor certifies that the employee's conduct and performance warrant the increase.
26. Chairman of the Civil Service Commission should have full responsibility for administrative direction of its work.
27. Civil Service Commission should develop standards for the operation of agency personnel offices.
28. Agency personnel offices should place primary emphasis on advising operating officials.
29. Agency heads should recognize importance of advice of personnel directors in policy formulation.

	Accomplished				Date
	Yes	Mostly	Partially	No	
				X	—
				X	—
X					1949-53
			X		—
		X			1949
X					1949
X					1949-50
X					1949-53
X					1949-53

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

REPORT NO. 3

OFFICE OF GENERAL SERVICES—SUPPLY ACTIVITIES

Recommendations Made by the Commission		23 (100%)
Deduct: Accomplished	16.9 (73%)	
Mostly Accomplished	2.1 (9%)	
Partially Accomplished	<u>0.0</u>	
		19 (82%)
Recommendations Remaining		4 (18%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		1 (4%)
Important Remaining Recommendations of the Commission		<u>3 (14%)</u>

9 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Responsibility for supply, records management and operation and maintenance of public buildings be placed in an Office of General Services.	X				1949
2. Relationship between the executive branch and certain miscellaneous agencies should be centered in the Office of General Services.***				X	—
3. Supply, records management, operation and management of public buildings, and relations with certain agencies should be placed in the Office of General Services.	X				1949
4. The Bureau of Federal Supply should be subsequently transferred from the Treasury Department to the Office of General Services.	X				1949
5. (a) Creation of a Records Management Bureau in the Office of General Services to include the National Archives.	X				1949
(b) Legislation should be enacted to provide for more effective preservation, management, and disposal of Government records.	X				1950
(c) Establishment of adequate records management program in each agency.	X				1950
6. Administration of above functions should be placed in Office of General Services.	X				1949
7. Matters involving Presidential action should be referred by the District of Columbia officials to the Director of the Office of General Services.*				X	—
8. Smithsonian Institution officials should consult the Director of the Office of General Services when they need assistance from the President or the agencies.*				X	—
9. National Park and Planning Commission, National Capital Housing Authority, and the Commission of Fine Arts should report to the Director of the Office of General Services.*				X	—

* See Section II, *Unfinished Business*.

*** This recommendation is either obsolete, no longer of importance or duplicative.

SUPPLY ACTIVITIES**14 Recommendations**

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Legislation should be enacted to provide an effective supply system.	X				1949
2. Principles of Armed Services Procurement Act of 1947 should be extended to buying by all agencies.	X				1949
3. Supply Policy Committee should be established to coordinate civilian and military supply operations.	X				1949
4. Bureau of Federal Supply should be established in Office of General Services with adequate authority and personnel.	X				1949
5. Bureau of Federal Supply should					
(a) Assign responsibility for purchase or storage of commodities to agencies best suited to do so.	X				1949
(b) Designate certain agencies to purchase specified supplies for all agencies.	X				1949
(c) Award contracts for common-use items	X				1949
(d) Handle purchasing for small agencies whenever economical to do so.		X			1949-50
(e) Operate a Nation-wide system of storehouses for common-use items.	X				1949-53
(f) Purchase through consolidated orders items in which volume purchases result in savings.	X				1949-53
(g) Develop master forms of bid and contract documents.	X				1949-53
6. Bureau of Federal Supply should					
(h) Advise all Government agencies on traffic management problems.	X				1949
(i) Represent all agencies in negotiating with carriers.	X				1949
(j) Represent all agencies in cases before the transportation regulatory bodies.	X				1949
(k) Advise agencies as to reasonableness of carriers' bills.	X				1949
(l) Prepare and maintain manuals and guides for traffic management.	X				1949
7. Bureau of Federal Supply should					
(m) Serve as secretariat for a coordinating body on federal specifications.	X				1949
(n) Maintain a master list of qualified products.	X				1949
8. Bureau of Federal Supply should					
(o) Serve as secretariat for a coordinating body on property-identification activities which would recommend policies, procedures, rules, and regulations for mandatory use of a single commodity catalog for the Federal Government.		X			1949
9. Bureau of Federal Supply should					
(p) Determine what products should be inspected.	X				1949
(q) Make inspection assignments to agencies.	X				1949
(r) Make testing assignments.	X				1949
(s) Prepare inspection manuals.	X				1949
(t) Develop rules and regulations on inspection policies and methods.	X				1949

Recommendations

10. (u) Bureau of Federal Supply should develop property use, maintenance, and replacement standards and rules and regulations, and determine extent of delegation of property disposal functions.
11. Strengthen authority of Secretary of Defense to improve supply operations of the National Military Establishment.
12. National Security Act of 1947 should be amended to strengthen authority of Secretary of Defense to integrate supply operations of the constituent departments of the National Military Establishment.
13. Remodel civilian agency supply organizations along the general lines proposed for the Bureau of Federal Supply.
14. Eliminate the present surcharge levied on price of centrally purchased commodities.

Accomplished				Date
Yes	Mostly	Partially	No	
X				1949
X				1953
X				1953
	X			1949-53
X				1949

REPORT NO. 4

THE POST OFFICE

Recommendations Made by the Commission		9 (100%)
Deduct: Accomplished	5 (56%)	
Mostly Accomplished	3 (33%)	
Partially Accomplished	0	
	<hr/>	8 (89%)
Recommendations Remaining		1 (11%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		0
Important Remaining Recommendations of the Commission		1 (11%)

9 Recommendations

- Recommendations**
1. The Postmaster General should not be an official of a political party.
 2. A Director of Posts should be appointed.
 3. Decentralize postal service into 15 regions.
 4. President should appoint a board of advisers on methods and policies.
 5. Abolish confirmation of postmasters by Senate.*
 6. Apply provisions of Government Corporation Control Act of 1945 to Post Office.**
 7. Laws and regulations should be revised to simplify operations.**
 8. Postmaster General should be authorized to fix rates for certain types of services to make them self-supporting.
 9. Subsidies to air mail carriers should be separated from payments to such carriers for carriage of the mails.

Yes	Accomplished			Date
	Mostly	Partially	No	
X				1949
X				1949
	X			1953
X			X	1949
				—
	X			1950
	X			1950-53
X				1952
X				1953

* See Section II, *Unfinished Business*.

** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

REPORT NO. 5

FOREIGN AFFAIRS

Recommendations Made by the Commission		22 (100%)
Deduct: Accomplished	21 (95%)	
Mostly Accomplished	0	
Partially Accomplished	0	
Recommendations Remaining		21 (95%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		1 (5%)
Important Remaining Recommendations of the Commission		0
		1 (5%)

22 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Congress should vest new foreign affairs powers in the President or an established agency unless the advantages of a new agency are overwhelming.	X				1949-53
2. Functions and membership of coordinating and advisory bodies should not be fixed by statute.	X				1949-53
3. Legislation should not make specific grants of foreign affairs powers or supporting funds below the level of the head of a department or agency.	X				1949-53
4. Cabinet level committees are necessary where issues transcend responsibility of any single department, but membership and assignment should be fixed by the President.	X				1949-53
5. Cabinet level and other interdepartmental committees should be assisted by specific institutional aids in the Executive Office and State Department.	X				1953
6. State Department should concentrate on definition of foreign policy objectives, formulation of policies, and recommendation of means to be used to carry out policies.	X				1953
7. State Department as a rule should not be given responsibility for operation of specific programs, whether overseas or at home.	X				1953
8. State Department should continue its responsibilities of representation, reporting, and negotiation.	X				1949-53
9. Secretary of State should be in command, legally and practically, of Department and Foreign Service, with clear lines of authority and adequate staff services. Department should have authority and funds to choose best persons to represent this country at international meetings.	X				1949-50
(a) Two Deputy Under Secretaries should be added.	X				1949-50
(b) The fixing of responsibility for action in five line units under five Assistant Secretaries.	X				1949-50
10. Fundamental objectives and policies of United States in foreign affairs should be defined to permit delegation of authority to take action to line units.	X				1949-50
11. Within line units, responsibility for decisions should be clearly fixed.	X				1949-53

Recommendations

12. The Assistant Secretaries with line responsibilities should serve as focal points of contact between the Department and overseas missions in both substantive and administrative matters.
13. Chief of each foreign mission should be the responsible spokesman for the area to which he is assigned, and should be responsible for the administration of his mission.
14. The Assistant Secretary, Economic and Social Affairs, should provide economic, social, and other advice from a global standpoint, and should serve as a focal point of coordination with other executive agencies.
15. The Assistant Secretary, Congressional Affairs, should be responsible on a full-time basis for establishing two-way liaison with Congress.
16. The Assistant Secretary, Public Affairs, should serve as adviser on domestic and foreign public opinion, and as chief of public relations for the State Department.
17. Planning Adviser should continue high-level planning activity with a broad-gage staff and should be freed from current problems.
18. Centralized intelligence unit in State Department should be reorganized and intelligence advisers should be assigned to regional units.
19. Operations Committee should be established with Under Secretary or Deputy Under Secretary as Chairman.
20. Personnel of the Foreign Service and civil-service employees of the Department should be combined into a single foreign affairs service serving at home and overseas.*
21. Other departments and agencies should consider the possible foreign impact of all proposed major policies and programs and consult with State Department about them.
22. Other departments and agencies which have important foreign affairs responsibilities should establish an office directly responsible to the agency head for coordination of foreign affairs activities.

	Accomplished				Date
	Yes	Mostly	Partially	No	
	X				1949-50
	X				1949-50
	X				1949-50
	X				1949-50
	X				1949-50
	X				1949-50
	X				1949-50
	X				1949-50
				X	—
	X				1949-50
	X				1949-53

* See Section II, *Unfinished Business*.

REPORT NO. 6

DEPARTMENT OF AGRICULTURE

Recommendations Made by the Commission

Deduct: Accomplished

Mostly Accomplished

Partially Accomplished

5 (31%)

1 (6%)

2 (13%)

16 (100%)

Recommendations Remaining

Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations

8 (50%)

8 (50%)

Important Remaining Recommendations of the Commission

0

8 (50%)

16 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. In general, we recommend an extension of the functional organization of the Department and a better grouping of activities related to the same major purpose.	X				1953
2. An additional Assistant Secretary and an Administrative Assistant Secretary should be established. Department should be reorganized into 8 major units.	X				1953
3. We recommend a thorough overhaul of the organization of the Department, at State, county, and farmer levels.		X			1953
4. We recommend that Department of Agriculture councils comprising representatives of the several departmental services in each county be organized to exchange information on their programs.	X				1951
5. In view of the widespread activities of the State governments in agriculture, the Commission recommends that, except in the most unusual circumstances, activities that are services to individual farmers should be administered in the field by departmental employees through offices based on the States as units. The services at county levels and to farmer units should be so merged as to reduce the number of duplicating and unnecessary employees; with due regard to avoiding divided authority.	X				1951-53
6. We recommend the establishment of 1 State council in each State, and 1 county council in each agricultural county, as aids to orderly operations in the field.*				X	—
7. In the future, new Federal agricultural research stations should generally be established only where existing joint Federal-State facilities cannot be developed to fill the need.	X				1949-53
8. We recommend that conservation payments to a farmer should be restricted to those which will bring about the adoption of complete and balanced conservation programs on his farm. They should not be used as income supplements in disguise. When the conservation plan on any farm has been completed, such payments to the owner should stop.**			X		1953
9. We recommend that adjustment programs with respect to commodities and commodity groups should be operated on a stand-by, rather than a continuous, basis.*				X	—

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

Recommendations

10. To obtain economy and efficiency, this Commission recommends that inspection costs on farm products, when imposed for the benefit and protection of the general public, be paid by the Federal Government. Inspection and grading services primarily for the benefit or protection of producers or processors should be paid for by the producers or processors.*
11. We recommend that customs receipts now allotted directly to the Department be paid into the Treasury and that direct annual appropriations be made by the Congress for specified purposes.*
12. We recommend that the Department of Agriculture be required to report to the President and the Congress on all irrigation or reclamation projects about their use or timeliness.*
13. This Commission recommends that all regulatory functions above relating to food products be transferred to the Department of Agriculture and that those relating to other products be placed under a reorganized drug bureau administered by the public health agency.*
14. Our 3 Task Forces on Agriculture, Natural Resources, and Public Works all urgently recommend the consolidation of these agencies [Forest Service of the Department of Agriculture and Bureau of Land Management of the Department of the Interior]. It has been urged for many years by students of government. The Commission agrees with this recommendation.*
15. Major land agencies should be grouped in the Department of Agriculture, except mineral questions, while water development activities should be grouped in the Department of the Interior.*
16. We recommend that on completion of the organization of the Department, as contemplated in this report, the Secretary of Agriculture institute immediately a comprehensive management survey to determine further savings, and to eliminate facilities, stations, and offices that duplicate facilities and work otherwise conducted by the Department or the States.

Accomplished				Date
Yes	Mostly	Partially	No	
			X	—
			X	—
			X	—
			X	—
			X	—
			X	—
		X		—

* See Section II, *Unfinished Business*.

REPORT NO. 7

BUDGETING AND ACCOUNTING

Recommendations Made by the Commission		18 (100%)
Deduct: Accomplished	8 (44%)	
Mostly Accomplished	4 (22%)	
Partially Accomplished	<u>3 (17%)</u>	
		15 (83%)
Recommendations Remaining		<u>3 (17%)</u>
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		0
Important Remaining Recommendations of the Commission		<u>3 (17%)</u>

13 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Performance budget should be adopted.	X				1950
2. Complete survey of appropriations structure should be made.*				X	—
3. Budget estimates of all agencies should be divided into 2 primary categories—current operating expenditures and capital outlays.*				X	—
4. President should have authority to reduce expenditures under appropriations if purposes intended by Congress still are carried out.**		X			1950
5. Review and revision by the Estimates Division of the Office of the Budget should be done in conjunction with representatives of the Administrative Management and Fiscal Divisions.	X				1950
6. Closer relations should be developed between constituent divisions of the Office of the Budget and with President's personal staff, Treasury Department, Economic Advisers, and National Security Resources Board [latter abolished in 1953].	X				1953
7. Office of the Budget should place much greater emphasis on developing policies and standards to govern the preparation of estimates, adequate budget work in the departments, and better management research.	X				1950-53
8. President should be given means and authority to supervise all publications of the Executive Branch, the authority to be delegated to the Office of the Budget.**			X		—
9. President should have authority to improve statistical activities, the authority to be delegated to the Director of the Division of Statistical Services in the Office of the Budget.	X				1950
10. (a) An Accountant General should be established under the Secretary of Treasury.*				X	—
(b) Accountant General should produce financial reports for President, Congress, and the public.*				X	—
11. (a) Practice of sending millions of expenditure vouchers and supporting papers to Washington should be stopped as far as possible.**		X			1950
(b) Spot sampling process of expenditure vouchers should be substituted.**		X			1950

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

Recommendations

12. Accounting system should be revised to provide accrual accounting, simplification or elimination of the present warrant system, uniform practices and procedures, better inventory and public debt accounting.**
13. Congress should study the question of fidelity insurance in order to achieve a simpler and less expensive procedure.

Accomplished				Date
Yes	Mostly	Partially	No	
	X			1950
		X		1950-51

STATISTICAL ACTIVITIES**5 Recommendations****Recommendations**

1. The diverse system of collecting and analyzing statistical data should be continued, but greater use should be made of the Census Bureau for large-scale collection and tabulation.
2. Responsibility for adequacy of the statistical system as a whole should be fixed.
3. Cost of statistical services which mainly benefit specific groups should be shifted to beneficiaries to greatest extent possible.
4. Forms and questionnaires sent to the public should be simplified and Division of Statistical Standards should make constant effort to relieve burden these reports place on businesses and individuals.
5. Division of Statistical Standards of the Office of the Budget should be strengthened to perform the work.

Accomplished				Date
Yes	Mostly	Partially	No	
	X			1950
X				1950
		X		1952-53
X				1950
X				1950

REPORT NO. 8

THE NATIONAL SECURITY ORGANIZATION

Recommendations Made by the Commission

Deduct: Accomplished

Mostly Accomplished

Partially Accomplished

4.90 (81%)

.33 (6%)

.67 (11%)

6.0 (100%)

5.9 (98%)

0.1 (2%)

Recommendations Remaining

Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations

0

Important Remaining Recommendations of the Commission

0.1 (2%)

6 Recommendations

Recommendations

1. (a) Secretary of Defense should have full power over preparation of budget and over expenditures.
- (b) Secretary of Defense should direct an overhaul of the budget system, including establishment of a performance budget.
- (c) Armed services should be required to keep complete, accurate, and current inventories.
2. (a) Principle of unified civilian control by Secretary of Defense should guide all legislation relative to the Military Establishment.
- (b) All statutory authority vested in service departments should be transferred to Secretary of Defense subject to delegation.
- (c) Secretary of Defense should have full authority, subject only to the President and Congress, to establish policies and programs.
- (d) Service Secretaries should be designated Under Secretaries directly responsible to Secretary of Defense and without right of appeal directly to President.*
- (e) The 3 military services should be administered by the several Under Secretaries subject to full direction and authority of the Secretary of Defense.
- (f) There should be Joint Chiefs of Staff representing the 3 services, and a chairman should be appointed by the Secretary of Defense to represent and report to him.
- (g) All administrative authority should be centered in the Secretary of Defense.
- (h) There should be an Under Secretary of Defense, 3 Assistant Secretaries, and required number of personal assistants to Secretary of Defense.
- (i) Full authority for procurement of supplies and material should be vested in the Secretary, subject to delegation.

Yes	Accomplished			Date
	Mostly	Partially	No	
X				1949 & 1953
X				1949 & 1953
X				1949 & 1953
X				1949 & 1953
X				1953
X				1949 & 1953
			X	—
X				1953
X				1949
X				1953
X				1949
X				1953

* See Section II, *Unfinished Business*.

Recommendations

3. (a) Military education, training, recruitment, promotion and transfer should be put under the direction and control of Secretary of Defense.
 (b) Recruitment of civilian employees should be decentralized into the National Military Establishment.
 (c) Secretary of Defense should have full authority to prescribe uniform personnel policies for civilian and military personnel.
4. (a) Better relations at the working level should be developed among the Joint Chiefs of Staff and the National Security Council, Central Intelligence Agency, Research and Development Board, Munitions Board, National Security Resources Board.
 (b) Jurisdiction and activities of National Security Resources Board should be redefined and clarified.
 (c) Central Intelligence Agency and its work should be improved.
5. Steps should be taken to implement the Commission's recommendations on medical services in the Defense Establishment.
6. (a) Emergency plans for civilian and industrial mobilization should be completed promptly and continuously revised.
 (b) Use of civilian advisory boards in mobilization should be continued.
 (c) Responsibility for stockpiling policy and its execution should be clearly determined and centralized.
 (d) Preparation of plans for civilian defense and internal security should be expedited.
 (e) Defenses against unconventional methods of warfare should be developed promptly, and more attention given to psychological warfare.
 (f) Economic warfare section of National Security Resources Board should develop a comprehensive economic warfare program.

Accomplished				Date
Yes	Mostly	Partially	No	
		X		—
	X			1949-53
		X		—
X				1949 & 1953
X				1950 & 1953
X				1950
X				1949 & 1953
X				1950
X				1949-53
X				1953
X				1950-53
X				1949-53
X				1949-53

REPORT NO. 9

VETERANS' AFFAIRS

Recommendations Made by the Commission

Deduct: Accomplished

Mostly Accomplished

Partially Accomplished

3.25 (54%)

.38 (6%)

1.25 (21%)

6.00 (100%)

Recommendations Remaining

Deduct: Recommendations which are obsolete, no longer
of importance or duplicative with, or explanatory
of, other recommendations

4.88 (81%)

1.12 (19%)

Important Remaining Recommendations of the Commission

0

1.12 (19%)

6 Recommendations

- Recommendations**
1. Internal organization of Veterans' Administration:
 - (a) Washington office should be reorganized in accordance with principles of General Management Report.
 - (b) Title of Executive Assistant Administrator should be changed to Deputy Administrator, and should be three or more Assistant Administrators.
 - (c) Create Assistant Administrator for Administrative Services.
 - (d) Coordination Service should become Office of Management Research.
 - (e) Establish Veterans' Life Insurance Corporation.**
 - (f) Establish Veterans' Benefit Service.
 - (g) Establish Readjustment Service.
 - (h) Office of Legislation to be consolidated with that of General Counsel.*
 2. Administrator should issue all directives from Central Office.
 3. Veterans' Life Insurance Corporation should be created.**
 4. Veterans' Administration should establish certification system for non-accredited educational institutions.
 5. Veterans' Benefit Service should be created.
 6. Transfer of veterans' housing loan guaranty program to Housing and home Finance Agency.*

	Accomplished				Date
	Yes	Mostly	Partially	No	
(a)	X				1953
(b)		X			1950
(c)	X				1953
(d)			X		—
(e)			X		—
(f)		X			1953
(g)		X			1953
(h)				X	—
2.	X				1950
3.			X		—
4.	X				1950
5.	X				1953
6.				X	—

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

REPORT NO. 10

DEPARTMENT OF COMMERCE

Recommendations Made by the Commission

Deduct: Accomplished

Mostly Accomplished

Partially Accomplished

3 (21%)

1 (7%)

1 (7%)

14 (100%)

Recommendations Remaining

Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations

5 (35%)

9 (65%)

Important Remaining Recommendations of the Commission

2 (15%)

7 (50%)

14 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Major nonregulatory transportation activities of the Federal Government should be grouped in the Department of Commerce.		X			1950
2. Business operations of the Maritime Commission should be placed in the Department of Commerce.	X				1950
3. Study should be made of marine functions of Bureau of Customs in Treasury Department to see if some of them can be transferred to Commerce Department.*				X	—
4. Bureau of Civil Aviation should be established in the Department of Commerce.*				X	—
5. Bureau of Civil Aviation would include functions of Civil Aeronautics Administration and responsibility for promulgating air safety rules.***				X	—
6. National Advisory Committee for Aeronautics should be incorporated in the Bureau of Civil Aviation.*				X	—
7. Public Roads Administration should be transferred from Federal Works Agency to Department of Commerce.	X				1950
8. Motor-carrier safety functions should be transferred from the Interstate Commerce Commission to Department of Commerce. (See Regulatory Commissions, Recommendation No. 10.)***				X	—
9. Formulation of railroad-consolidation plans and car service and safety functions should be transferred from Interstate Commerce Commission to Department of Commerce.*				X	—
10. Office of Defense Transportation should be transferred from the Executive Office of the President and its functions made permanent in the Department of Commerce.			X		—
11. Weather Bureau's coordination in the departmental structure should be established by the Secretary.	X				1951
12. Secretary of Commerce should be assigned duty of making over-all route programs for air, land, and water transportation.*				X	—
13. All commercial fishery activities of the Department of the Interior should be transferred to a Bureau of Commercial Fisheries in the Department of Commerce.*				X	—
14. Interdepartmental committee should be established to determine fields of Commerce, Agriculture, Interior, and State Departments in commodity research.*				X	—

* See Section II, *Unfinished Business*.

*** This recommendation is either obsolete, no longer of importance or duplicative.

REPORT NO. 11

TREASURY DEPARTMENT

Recommendations Made by the Commission

Deduct: Accomplished

Mostly Accomplished

Partially Accomplished

0.33 (3%)

2.00 (20%)

5.00 (50%)

10.00 (100%)

Recommendations Remaining

Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations

7.33 (73%)

2.67 (27%)

Important Remaining Recommendations of the Commission

0

2.67 (27%)

10 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Treasury Department should be thoroughly reorganized along functional lines.**			X		—
2. (a) Functions of Bureau of Federal Supply should be transferred to the Office of General Services. (b) The Coast Guard and probably certain marine functions of the Bureau of Customs should be transferred to the Department of Commerce.* (c) The Bureau of Narcotics should be transferred to the Department of Justice.*	X			X	1949
3. Supervision of operations of Reconstruction Finance Corporation [abolished 1953], Federal Deposit Insurance Corporation, and Export-Import Bank should be vested in Secretary of the Treasury.*				X	—
4. Department should be divided into 7 major groups (specified in detail).**			X		—
5. Top staff of the Department should consist of the Secretary and his assistants, Under Secretary, General Counsel, Accountant General, Administrative Assistant Secretary, Commissioner of Revenue, Fiscal Assistant Secretary, Assistant Secretary in Charge of Banking and International Finance, and Director of Office of Liquidation.			X		—
6. All officials of secretarial rank should be appointed by the President and confirmed by the Senate, except the Fiscal Assistant Secretary.			X		—
7. All officials in the Department below rank of Assistant Secretary should preferably be appointed from the career service without Senate confirmation.		X			1950
8. Treasury Department should examine and report to President and Congress semiannually on lending agencies now in liquidation.*				X	—
9. National Monetary and Credit Council of domestic financial agencies should be established in connection with the Treasury to advise on policies and coordination of the Government's domestic credit policies." No quotations marks.**		X			1953
10. Congress should continue its study of fidelity insurance to arrive at a simpler and less expensive system.			X		1949-51

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

REPORT NO. 12

REGULATORY COMMISSIONS

Recommendations Made by the Commission		12 (100%)
Deduct: Accomplished	3 (25%)	
Mostly Accomplished	2 (17%)	
Partially Accomplished	<u>2 (17%)</u>	
		7 (59%)
Recommendations Remaining		<u>5 (41%)</u>
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		0
Important Remaining Recommendations of the Commission		<u>5 (41%)</u>

12 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. All administrative responsibility should be vested in the chairmen of the regulatory commissions.		X			1950
2. Members of the Securities and Exchange Commission, Federal Power Commission, and Federal Communications Commission should be removable only for cause, as is the case with other commissions.*				X	—
3. Upon expiration of his term, a Commissioner should continue to hold office until his successor has been appointed and qualified.**			X		—
4. Salaries of Commissioners and board members should be substantially raised.	X				1949
5. Salaries of staff members should be increased.	X				1949
6. Commissions should be authorized to delegate routine, preliminary and less important work to their staffs.**			X		—
7. Administrative Management Division of the Office of the Budget should study and recommend improvements in administrative procedures of commissions.		X			1953
8. Power-Planning functions of the Federal Power Commission should be transferred to the Department of the Interior.*				X	—
9. Functions of ship construction and operation, charter and sale of ships should be transferred to the Commerce Department.	X				1950
10. Equipment inspection and safety and car service functions should be transferred from the Interstate Commerce Commission to the Commerce Department.*				X	—
11. Regulation of safety of aircraft operation should be transferred from Civil Aeronautics Board to Commerce Department, subject to appeal.*				X	—
12. All regulatory commissions should have bipartisan membership.*				X	—

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

REPORT NO. 13

DEPARTMENT OF LABOR

Recommendations Made by the Commission		8 (100%)
Deduct: Accomplished	4 (50%)	
Mostly Accomplished	2 (25%)	
Partially Accomplished	<u>0</u>	
Recommendations Remaining		6 (75%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		<u>2 (25%)</u>
Important Remaining Recommendations of the Commission		0

8 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. All officials below the rank of Assistant Secretary should be appointed by the Secretary.		X			1950
2. Transfer Bureau of Employees' Compensation and the Employees' Compensation Appeals Board from the Federal Security Agency to the Labor Department.	X				1950
3. Transfer Bureau of Employment Security from Federal Security Agency to Labor Department.	X				1949
4. Place Selective Service System under Secretary of Labor.***				X	—
5. Transfer from Maritime Commission to Secretary of Labor of determination of minimum wages for seamen on privately operated vessels.***				X	—
6. Merger of functions of Veterans' Employment Service and employment service of the Bureau of Employment Security.	X				1949
7. Bureau of Labor Statistics should be responsible for data on wholesale prices, living costs, employment, working hours, wages, payrolls, and productivity.		X			1949-53
8. Detailed study of industrial hygiene functions to establish division between labor and health agencies.	X				1952

*** This recommendation is either obsolete, no longer of importance or duplicative.

REPORT NO. 14

DEPARTMENT OF THE INTERIOR

Recommendations Made by the Commission		15.00 (100%)
Deduct: Accomplished	3.00 (20%)	
Mostly Accomplished	4.00 (27%)	
Partially Accomplished	0.25 (2%)	
		7.25 (49%)
Recommendations Remaining		7.75 (51%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		2.25 (15%)
Important Remaining Recommendations of the Commission		5.50 (36%)

15 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Creation of a Board of Impartial Analysis for Engineering and Architectural Projects as part of the President's office.*				X	—
2. Department of the Interior should be reorganized along more functional and major purpose lines.**		X			1950 & 1953
3. (a) Bureau of Indian Affairs should be transferred to a new department for social security, education, and Indian affairs. (See Social Security Recommendation No. 8.)***				X	—
(b) Transfer of Bureau of Land Management (except minerals) to Department of Agriculture. (See Agriculture Recommendation No. 15.)***				X	—
(c) Transfer of Commercial Fisheries from Fish and Wildlife Service to the Department of Commerce. (See Commerce Recommendation No. 13.)***				X	—
4. (a) Transfer to the Department of the Interior of flood control and rivers and harbors from Department of the Army. (See Recommendation No. 9 below.)***				X	—
(b) Transfer of public building construction from Federal Works Agency to the Department of the Interior.*				X	—
(c) Transfer of community services from Federal Works Agency to Department of the Interior.**			X		—
(d) Transfer of certain major construction on behalf of other agencies to the Department of the Interior.*				X	—
5. An additional Assistant Secretary and an Administrative Assistant Secretary should be established.	X				1950
6. Officials of rank of Assistant Secretary, except the Administrative Assistant Secretary, should be appointed by the President and confirmed by the Senate.	X				1950
7. All officials below rank of Assistant Secretary should be appointed by the Secretary, preferably from the career service.		X			1950 & 1953
8. Following major purpose grouping of functions should be made: Water development and use services; building construction services; recreation services; mineral resources services; and Territories and possessions.		X			1950 & 1953

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

*** This recommendation is either obsolete, no longer of importance or duplicative.

Recommendations

9. Rivers and harbors and flood control activities of the Corps of Engineers should be transferred to the Department of the Interior.*
10. Clarification and codification of laws pertaining to the Bureau of Reclamation.*
11. Drainage Area Advisory Commission should be created for each major drainage area.**
12. With respect to international boundary streams, the responsibility for negotiating agreements should remain with the State Department, but all construction should be a function of the Water Development and Use Services.*
13. No irrigation or reclamation project should be undertaken without a report to the Board of Impartial Analysis by the Department of Agriculture. (See Agriculture Recommendation No. 12.)***
14. Reconstruction Finance Corporation, in connection with its financing, should secure reports from the proposed Mineral Resources Services of the Department of the Interior.
15. Tin smelter at Texas City, Tex.; should be operated by the Bureau of Mines.*

	Accomplished				Date
	Yes	Mostly	Partially	No	
				X	—
				X	—
		X			1953
				X	—
				X	—
X					1949-53
				X	—

* See Section II, *Unfinished Business*.

** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

*** This recommendation is either obsolete, no longer of importance or duplicative.

REPORT NO. 15

SOCIAL SECURITY—EDUCATION—INDIAN AFFAIRS

Recommendations Made by the Commission		17 (100.0%)
Deduct: Accomplished	4 (23.5%)	
Mostly Accomplished	1 (6.0%)	
Partially Accomplished	<u>7 (41.0%)</u>	
		12 (70.5%)
Recommendations Remaining		<u>5 (29.5%)</u>
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		1 (6.0%)
Important Remaining Recommendations of the Commission		<u>4 (23.5%)</u>

8 Recommendations

Recommendations

1. Creation of an executive department to include social security and education functions.
2. Secretary, Under Secretary, and three Assistant Secretaries to be appointed by the President.
3. Childrens' Bureau to be divested of grant functions and shifted to general staff capacity to Secretary.**
4. Review of the old-age and survivors' insurance program.*
5. Study of merger of Government employees' retirement systems.
6. Retention of Railroad Retirement Board in its present status.
7. Education programs should be administered by agencies whose functions they serve to promote.
8. Bureau of Indian Affairs to be transferred from Interior Department to proposed Welfare Department.*

Yes	Accomplished			Date
	Mostly	Partially	No	
X				1953
	X			1953
		X		—
			X	—
		X		—
X				1949-53
X				1949-53
			X	—

* See Section II, *Unfinished Business*.

** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

INDIAN AFFAIRS

9 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Integration of Indians into the rest of the population.**			X		—
2. Pending integration, social programs for Indians should be progressively transferred to State governments.**			X		—
3. All agencies concerned with Indian affairs, including State and local governments, should take part in planning programs.**			X		—
4. Objectives of planning should be:					
(a) Adequate education;					
(b) Adequate standard of living;					
(c) Reduction of mortality and morbidity rates;					
(d) Transfer of social programs to state and local control;					
(e) Transfer of medical services to local governments;					
(f) Transfer of tribal property to Indian-owned corporations;					
(g) Participation in political and civic life of States;			X		—
(h) Termination of tax exemption for Indian lands.**					
5. Economic assistance program should include:					
(a) Assistance to young employable Indians and better cultured families to leave reservations;					
(b) Placing tribal and Indian enterprises on a corporate or cooperative basis.**			X		—
6. Following steps should be taken to establish business enterprises:					
(a) Each have own charter and board of directors;					
(b) Basic policies incorporated in charter;					
(c) Members of board of directors to be preponderantly Indian and financially accountable;					
(d) Other members appointed for business or technical ability;					
(e) Creation of such corporations as part of program for each area;					
(f) Administrative supervision by Indian Bureau to be gradually relaxed and discontinued;					
(g) Accounts to be audited annually.*				X	—
7. (a) Inadequate or inefficient superintendents should be disciplined.	X				1949-53
(b) Washington office should use more personnel with field experience.	X				1949-53
(c) Each superintendency should have a classification range of 2 grades to allow for promotion.*				X	—
8. (a) Commissioner of Bureau of Indian Affairs should be a professional, permanent administrator, appointed by Department head to whom Indian Service would be attached.*				X	—
(b) Budget and appropriations be made upon basis of area programs.*				X	—
(c) Commissioner should be free to organize the Service but greater authority for administration should be delegated to the superintendents.	X				1950
9. Transfer of Bureau of Indian Affairs from Interior Department to a new welfare department. (See Recommendation No. 8 under Social Security above.)***				X	—

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

*** This recommendation is either obsolete, no longer of importance or duplicative.

REPORT NO. 16

MEDICAL ACTIVITIES

Recommendations Made by the Commission

Deduct: Accomplished

Mostly Accomplished

Partially Accomplished

1 (9%)

0

2 (18%)

11 (100%)

3 (27%)8 (73%)

Recommendations Remaining

Deduct: Recommendations which are obsolete, no longer
of importance or duplicative with, or explanatory
of, other recommendations3 (27%)5 (46%)

Important Remaining Recommendations of the Commission

11 Recommendations

- Recommendations**
1. United Medical Administration should be created.*
 2. Creation of a board consisting of representatives of the armed services and the Veterans' Administration to advise on policies.***
 3. Administrator and three Assistant Administrators should be appointed by the President and confirmed by the Senate, but all other officials should be appointed by the Administrator.***
 4. Following functions should be transferred to the United Medical Administration:
 - (a) General and station hospitals of the Armed Forces in the United States, with certain exceptions.*
 - (b) Hospital functions of the Veterans' Administration in toto.*
 - (c) The four nonmilitary hospitals in the Canal Zone.*
 - (d) Hospitals of the Public Health Service.*
 - (e) Functions, facilities, and personnel of the Public Health Service.*
 - (f) St. Elizabeths Hospital should be transferred from Federal Security Agency to either the District of Columbia or the United Medical Administration.*
 5. Congress should define beneficiaries entitled to medical care from the Government and prescribe how this care should be given.*
 6. Inconsistency in policy between the Federal hospital construction program and Federal aid to non-Federal hospitals under the Hill-Burton Act should be ended.*
 7. Control of medical policy in the armed services should be exercised by the Secretary of Defense.
 8. United Medical Administration should give constant attention to necessary measures for national defense.
 9. Medical and other technical personnel in the United Medical Administration should be on a career-service basis.***
 10. Survey should be made to determine the needs for emergency aid to medical schools.**
 11. Highest priority should be given to research, preventive medicine, public health and education.*

Yes	Accomplished			Date
	Mostly	Partially	No	
			X	—
			X	—
			X	—
			X	—
			X	—
			X	—
			X	—
			X	—
			X	—
			X	—
X				1949 & 1953
		X		—
			X	—
		X		—
			X	—

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

*** This recommendation is either obsolete, no longer of importance or duplicative.

REPORT NO. 17

FEDERAL BUSINESS ENTERPRISES

Recommendations Made by the Commission		23.00 (100%)
Deduct: Accomplished	4.00 (17%)	
Mostly Accomplished	5.00 (22%)	
Partially Accomplished	<u>3.57 (16%)</u>	
		12.57 (55%)
Recommendations Remaining		10.43 (45%)
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		0
Important Remaining Recommendations of the Commission		<u>10.43 (45%)</u>

23 Recommendations

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
1. Government Corporation Control Act of 1945 should be revised to provide:					
(a) Borrowing powers, Government liability, and budgetary presentation of Government corporations should be made uniform for like classes of loans and like securities.**			X		—
(b) Government stock in these corporations should be held by the President or by the head of such agency as he may direct.*				X	—
(c) Congress should determine the disposition of surpluses already earned by partly owned Government corporations, and should determine policies as to distribution of future surpluses.**			X		—
(d) Major expenditures for capital additions should be made only with prior congressional approval and appropriation.*				X	—
(e) In determining construction costs, all corporations should include a charge for interest on capital expenditures.*				X	—
(f) Boards or part-time boards should be wholly advisory and appointed by the President.**			X		—
(g) Where corporations are located in other Government agencies, the agency heads or their representatives should serve as ex officio chairmen of their advisory boards.**			X		—
2. Government business enterprises should be required to surrender to the Treasury all United States securities held, up to the amount of capital furnished by the Government, and should receive in return non-interest-bearing credit in the Treasury.*				X	—
3. Straight-line business activities should be incorporated.*				X	—
4. Some agencies such as Post Office and Bureau of Reclamation should not be incorporated but should be given flexibility of business practice, business form of budget accounting, and auditing systems, and should be required to set up their accounts to distinguish between capital and operating expenditures.**		X			1950-53
5. Congress should require Government business enterprises receiving appropriations for administrative expenses either to conduct their business so as to recover administrative expenses or to set out such subsidies as part of their requests for appropriations.**			X		—

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

Recommendations	Accomplished				Date
	Yes	Mostly	Partially	No	
6. Both incorporated and unincorporated business enterprises should report to Congress each year the extent to which earned income fails to cover: (a) interest on Government capital; (b) losses on loans or investments; and (c) operating expenses.**			X		—
7. As a general principle, receipts arising outside of normal activities should be paid into the Treasury, and sums needed by the agency should be appropriated by the Congress.*				X	—
8. Congress should: (a) review power to make direct loans, and (b) in non-emergency periods, insure that normal credit channels are utilized to maximum extent possible, or provide for guaranty of loans made by private agencies.*				X	—
9. All housing activities should be placed in 1 agency under a single administrator.	X				1950
10. Congress should consider establishing a single corporation to expedite the liquidation of public housing programs.			X		—
11. Federal National Mortgage Association should be placed under the Housing and Home Finance Agency.	X				1950
12. Office of the Housing Expediter should be placed under the Housing and Home Finance Agency.		X			1950
13. National Capital Housing Authority should be placed directly under the Commissioners of the District of Columbia.*				X	—
14. Federal Intermediate Credit Banks, Banks for Cooperatives, and Production Credit Corporations should be merged into a single system, adopting the principle of mutualization.**		X			1953
15. Crop insurance premiums should include an amount for administrative expenses of the Federal Crop Insurance Corporation.**		X			1949-53
16. Readjustments of capital of the Commodity Credit Corporation on account of losses should be financed by appropriations, not by cancellation of notes.*				X	—
17. Congress should consider giving the Secretary of Agriculture authority to develop a plan for farm lending service to tenant and other farmers: (a) Set up a modest Government corporation under the Agricultural Credit Administrator.* (b)-(i) Implement proposal in (a). Cover such matters as activity of Land Bank and loan limits under corporation.* (j) Farmers Home Administration should be liquidated.* (k) and (l) Implement proposal in (j).*				X X X X	— — — —
18. Congress should review the Reconstruction Finance Corporation.	X				1953
19. Congress might consider creation of a system of National Mortgage Discount Banks.*				X	—
20. Inland Waterways Corporation should be liquidated.	X				1953
21. Puerto Rico Reconstruction Administration should be liquidated.		X			1950-53
22. Alaska Railroad should be incorporated.*				X	—
23. Washington National Airport should be incorporated.*				X	—

* See Section II, *Unfinished Business*.** A review of the effectiveness of action taken on this recommendation appears warranted — See Section II, *Unfinished Business*.

REPORT NO. 18**OVERSEAS ADMINISTRATION—FEDERAL-STATE RELATIONS—FEDERAL RESEARCH**

Recommendations Made by the Commission		7 (100%)
Deduct: Accomplished	7 (100%)	
Mostly Accomplished	0	
Partially Accomplished	0	
		<u>7 (100%)</u>
Recommendations Remaining		0
Deduct: Recommendations which are obsolete, no longer of importance or duplicative with, or explanatory of, other recommendations		0
Important Remaining Recommendations of the Commission		<u>0</u>

Part 1—Overseas Administration**1 Recommendation****Recommendations**

1. Congress should direct a comprehensive survey of the problem of overseas operation and administration.

Accomplished				Date
Yes	Mostly	Partially	No	
X				1951 & 1953

Part 2—Federal-State Relations**5 Recommendations¹****Recommendations**

1. Study should be made of governmental functions to determine which should be performed by various levels of government.
2. Tax systems at all levels should be revised, with every possible effort made to leave State and local governments adequate sources of revenue.
3. Grants-in-aid given directly to State governments should be budgeted and administered on Federal and State levels as are other Federal and State funds.
4. Grant-in-aid plan and program should be clarified and systematized.
5. Continuing agency on Federal-State relations should be created.

Accomplished				Date
Yes	Mostly	Partially	No	
X				1953
X				1953
X				1953
X				1953
X				1953

Part 3—Federal Research**1 Recommendation****Recommendations**

1. (a) President should be granted authority to coordinate research, and strengthen interdepartmental committee organization for this purpose.
(b) National Science Foundation should be established.

Accomplished				Date
Yes	Mostly	Partially	No	
X				1949-53
X				1949

¹ A Commission on Intergovernmental Relations was created, July 10, 1953.

SECTION II

UNFINISHED BUSINESS

Of the 273 recommendations made, there remain 66 on which no affirmative action has been taken. Some of these were the subject of Congressional consideration, and there met with defeat. This was the case of the recommendations for creating a United Medical Administration (Medical Affairs Recommendation No. 1), and for removing Senate confirmation of Postmasters (Post Office Recommendation No. 5). Others were not considered by the Congress, or were never acted upon by the Executive. Recommendations on which no affirmative action was taken are listed in the columns headed "No" in Section I of this Report. They are again listed below, report by report, as Category A.

Certain other recommendations, which have been shown in Section I as "Mostly" or "Partially" accomplished, may for various reasons require further review. For example, the antiquated practice of "sending millions of expenditure vouchers and supporting papers to Washington" for audit (Budgeting and Accounting Recommendation No. 11(a)) is officially reported as having been "Mostly" accomplished. A review is needed to determine if this is actually the case; and the effectiveness of new procedures adopted also warrants review. Hence, in Category B under each report below are listed the items calling for such a review.

SECTION II

UNFINISHED BUSINESS

Report No. 1—GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 17. Consolidation of 65 agencies under the direct supervision of the President into one-third of that number.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 3. President should not be prevented by law from reorganizing his office.

Recommendation No. 8. Interdepartmental committees should be inventoried by the President's office at least once a year and terminated when work is finished.

Report No. 2—PERSONNEL MANAGEMENT

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 2 (b). Appointing officers should be given more leeway than the "rule of three" in selection of personnel.

Recommendation No. 3 (a). Congress should establish a pay policy.

Recommendation No. 4 (c). Executive branch should provide training for promising career employees.

Recommendation No. 5 (a). Reduction-in-force legislation should be amended.

Recommendation No. 7. Applicants for civil-service posts should be rated by categories such as "outstanding," "well qualified," and "unqualified".

Recommendation No. 8. Veterans should be considered before nonveterans in each category above.

Recommendation No. 15. Congress should enact legislation setting forth policy on conduct of training programs for civilian employees.

Recommendation No. 16. Congress should enact a comprehensive pay administration policy for the executive branch.

Recommendation No. 17. Congress should limit its pay legislation to setting minimum and maximum rates within which all adjustments are to be made.

Recommendation No. 19. Locality and industry pay differentials should be considered in setting pay scales for clerical, subprofessional, postal, and "blue collar" jobs.

Recommendation No. 23 (a). Legislation and regulations governing reductions in force should be changed to provide realistic ranking of employees, simplify procedures, and modify absolute retention preference for veterans.

Recommendation No. 23 (b). Ranking of employees for retention should be on basis of which should be retained rather than which should be eliminated.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 3 (d). Pay rates for certain positions should be related to locality or industry differentials.

Recommendation No. 4 (b). Civil Service Commission should develop a promotion program crossing agency lines.

Recommendation No. 4 (d). Employee participation in formulation of personnel policy.

Recommendation No. 6. President should require all major agencies to recruit, examine, and appoint employees for high-level positions, those peculiar to the agencies and others which the Civil Service Commission decides can be filled more effectively by the agencies.

Recommendation No. 10. Each agency should be required to recruit each year a specified number of young people for subordinate posts.

Recommendation No. 18. Civil Service Commission, subject to approval of the President, should have responsibility for establishment of individual pay scales and fixing standards of job evaluation in all agencies.

Recommendation No. 21. President should require agencies to provide for employee participation in formulation of Federal personnel policies.

Recommendation No. 24. A simple, clear-cut, and intelligent procedure for discharge of incompetent employees should be instituted.

While these are the more important, many others may warrant expert review.

Report No. 3—OFFICE OF GENERAL SERVICES—SUPPLY ACTIVITIES

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 7. Matters involving Presidential action should be referred by the District of Columbia Officials to the Director of the Office of General Services.

Recommendation No. 8. Smithsonian Institution officials should consult the Director of the Office of General Services when they need assistance from the President or the agencies.

Recommendation No. 9. National Park and Planning Commission, National Capital Housing Authority, and the Commission of Fine Arts should report to the Director of the Office of General Services.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

While none of the proposals accomplished have failed to follow the recommendations of the Hoover Commission specifically, it has been over four years since the Federal Property and Administrative Services Act of 1949 was enacted, so that some review at this juncture might be given consideration.

Supply Activities

All action completed.

Report No. 4—THE POST OFFICE

*** Recommendations Which Have Not Been Acted Upon:**

Recommendation No. 5. Abolish confirmation of postmasters by Senate.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 6. Apply provisions of Government Corporation Control Act of 1945 to Post Office.

Recommendation No. 7. Laws and regulations should be revised to simplify operations.

Report No. 5—FOREIGN AFFAIRS

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 20. Personnel of the Foreign Service and civil-service employees of the Department should be combined into a single foreign affairs service serving at home and overseas.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

None

Report No. 6—DEPARTMENT OF AGRICULTURE

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 6. We recommend the establishment of 1 State council in each State, and 1 county council in each agricultural county, as aids to orderly operations in the field.

Recommendation No. 9. We recommend that adjustment programs with respect to commodities and commodity groups should be operated on a stand-by, rather than a continuous, basis.

Recommendation No. 10. To obtain economy and efficiency, this Commission recommends that inspection costs on farm products, when imposed for the benefit and protection of the general public, be paid by the Federal Government. Inspection and grading services primarily for the benefit or protection of producers or processors should be paid for by the producers or processors.

Recommendation No. 11. We recommend that customs receipts now allotted directly to the Department be paid into the Treasury and that direct annual appropriations be made by the Congress for specified purposes.

Recommendation No. 12. We recommend that the Department of Agriculture be required to report to the President and the Congress on all irrigation or reclamation projects about their use or timeliness.

Recommendation No. 13. This Commission recommends that all regulatory functions above relating to food products be transferred to the Department of Agriculture and that those relating to other products be placed under a reorganized drug bureau administered by the public health agency.

Recommendation No. 14. Our 3 Task Forces on Agriculture, Natural Resources, and Public Works all urgently recommend the consolidation of these agencies (Forest Service of the Department of Agriculture and Bureau of Land Management of the Department of the Interior). It has been urged for many years by students of government. The Commission agrees with this recommendation.

Recommendation No. 15. Major land agencies should be grouped in the Department of Agriculture, except mineral questions, while water development activities should be grouped in the Department of the Interior.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 8. We recommend that conservation payments to a farmer should be restricted to those which will bring about the adoption of complete and balanced conservation programs on his farm. They should not be used as income supplements in disguise. When the conservation plan on any farm has been completed, such payments to the owner should stop.

Report No. 7—BUDGETING AND ACCOUNTING

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 2. Complete survey of appropriations structure should be made.

Recommendation No. 3. Budget estimates of all agencies should be divided into 2 primary categories—current operating expenditures and capital outlays.

Recommendation No. 10(a). An Accountant General should be established under the Secretary of Treasury.

Recommendation No. 10(b). Accountant General should produce financial reports for President, Congress, and the public.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 4. President should have authority to reduce expenditures under appropriations if purposes intended by Congress still are carried out.

Recommendation No. 8. President should be given means and authority to supervise all publications of the Executive Branch, the authority to be delegated to the Office of the Budget.

Recommendation No. 11(a). Practice of sending millions of expenditures vouchers and supporting papers to Washington should be stopped as far as possible.

Recommendation No. 11(b). Spot sampling process of expenditures vouchers should be substituted.

Recommendation No. 12. Accounting system should be revised to provide accrual accounting, simplification or elimination of the present warrant system, uniform practices and procedures, better inventory and public debt accounting. All others.

Statistical Activities

All action completed.

Report No. 8—THE NATIONAL SECURITY ORGANIZATION

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 2(d). Service Secretaries should be designated Under Secretaries directly responsible to Secretary of Defense and without right of appeal directly to President.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

All (n. b. This was stated incorrectly in the first printing.)

Report No. 9—VETERANS' AFFAIRS

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 1(b). Office of Legislation to be consolidated with that of General Counsel.

Recommendation No. 6. Transfer of veterans' housing loan guaranty program to Housing and Home Finance Agency.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 1(e). Establish Veterans' Life Insurance Corporation.

Recommendation No. 3. Veterans' Life Insurance Corporation should be created.

All others.

Report No. 10—DEPARTMENT OF COMMERCE

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 3. Study should be made of marine functions of Bureau of Customs in Treasury Department to see if some of them can be transferred to Commerce Department.

Recommendation No. 4. Bureau of Civil Aviation should be established in the Department of Commerce.

Recommendation No. 6. National Advisory Committee for Aeronautics should be incorporated in the Bureau of Civil Aviation.

Recommendation No. 9. Formulation of railroad-consolidation plans and car service and safety functions should be transferred from Interstate Commerce Commission to Department of Commerce.

Recommendation No. 12. Secretary of Commerce should be assigned duty of making over-all route programs for air, land, and water transportation.

Recommendation No. 13. All commercial fishery activities of the Department of the Interior should be transferred to a Bureau of Commercial Fisheries in the Department of Commerce.

Recommendation No. 14. Interdepartmental committee should be established to determine fields of Commerce, Agriculture, Interior, and State Departments in commodity research.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

None.

Report No. 11—TREASURY DEPARTMENT

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 2(b). The Coast Guard and probably certain marine functions of the Bureau of Customs should be transferred to the Department of Commerce.

Recommendation No. 2(c). The Bureau of Narcotics should be transferred to the Department of Justice.

Recommendation No. 3. Supervision of operations on Reconstruction Finance Corporation, Federal Deposit Insurance Corporation, and Export-Import Bank should be vested in Secretary of the Treasury.

Recommendation No. 8. Treasury Department should examine and report to President and Congress semiannually on lending agencies now in liquidation.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 1. Treasury Department should be thoroughly reorganized along functional lines.

Recommendation No. 4. Department should be divided into 7 major groups (specified in detail).

Recommendation No. 9. National Monetary and Credit Council of domestic financial agencies should be established in connection with the Treasury to advise on policies and coordination of the Government's domestic credit policies.

Report No. 12—REGULATORY COMMISSIONS

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 2. Members of the Securities and Exchange Commission, Federal Power Commission, and Federal Communications Commission should be removable only for cause, as is the case with other commissions.

Recommendation No. 8. Power-Planning functions of the Federal Power Commission should be transferred to the Department of the Interior.

Recommendation No. 10. Equipment inspection and safety and car service functions should be transferred from the Interstate Commerce Commission to the Commerce Department.

Recommendation No. 11. Regulation of safety of aircraft operation should be transferred from Civil Aeronautics Board to Commerce Department, subject to appeal.

Recommendation No. 12. All regulatory commissions should have bipartisan membership.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 3. Upon expiration of his term, a Commissioner should continue to hold office until his successor has been appointed and qualified.

Recommendation No. 6. Commissions should be authorized to delegate routine, preliminary and less important work to their staffs.

Report No. 13—DEPARTMENT OF LABOR

All action completed.

Report No. 14—DEPARTMENT OF THE INTERIOR

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 1. Creation of a Board of Impartial Analysis for Engineering and Architectural Projects as part of the President's office.

Recommendation No. 4(b). Transfer of public building construction from Federal Works Agency to the Department of the Interior.

Recommendation No. 4(d). Transfer of certain major construction on behalf of other agencies to the Department of the Interior.

Recommendation No. 9. Rivers and harbors and flood control activities of the Corps of Engineers should be transferred to the Department of the Interior.

Recommendation No. 10. Clarification and codification of laws pertaining to the Bureau of Reclamation.

Recommendation No. 12. With respect to international boundary streams, the responsibility for negotiating agreements should remain with the State Department, but all construction should be a function of the Water Development and Use Services.

Recommendation No. 15. Tin smelter at Texas City, Tex., should be operated by the Bureau of Mines.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 2. Department of the Interior should be reorganized along more functional and major purpose lines.

Recommendation No. 4(c). Transfer of community services from Federal Works Agency to Department of the Interior.

Recommendation No. 11. Drainage Area Advisory Commission should be created for each major drainage area.

Report No. 15—SOCIAL SECURITY—EDUCATION—INDIAN AFFAIRS

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 4. Review of the old-age and survivors' insurance program.

Recommendation No. 8. Bureau of Indian Affairs to be transferred from Interior Department to proposed Welfare Department.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 3. Children's Bureau to be divested of grant functions and shifted to general staff capacity to Secretary.

Indian Affairs

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 6. Following steps should be taken to establish business enterprises:

- (a) Each have own charter and board of directors;
- (b) Basic policies incorporated in charter;
- (c) Members of board of directors to be preponderantly Indian and financially accountable;
- (d) Other members appointed for business or technical ability;
- (e) Creation of such corporations as part of program for each area;
- (f) Administrative supervision by Indian Bureau to be gradually relaxed and discontinued;
- (g) Accounts to be audited annually.

Recommendation No. 7(c). Each superintendency should have a classification range of 2 grades to allow for promotion.

Recommendation No. 8(a). Commissioner of Bureau of Indian Affairs should be a professional, permanent administrator, appointed by Department head to whom Indian Service would be attached.

Recommendation No. 8(b). Budget and appropriations be made upon basis of area programs.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 1. Integration of Indians into the rest of the population.

Recommendation No. 2. Pending integration, social programs for Indians should be progressively transferred to State governments.

Recommendation No. 3. All agencies concerned with Indian affairs, including State and local governments, should take part in planning programs.

Recommendation No. 4. Objectives of planning should be:

- (a) Adequate education;
- (b) Adequate standard of living;
- (c) Reduction of mortality and morbidity rates;
- (d) Transfer of social programs to state and local control;
- (e) Transfer of medical services to local governments;
- (f) Transfer of tribal property to Indian-owned corporations;
- (g) Participation in political and civic life of States;
- (h) Termination of tax exemption for Indian lands.

Recommendation No. 5. Economic assistance program should include:

- (a) Assistance to young employable Indians and better cultured families to leave reservations;
- (b) Placing tribal and Indian enterprises on a corporate or cooperative basis.

Report No. 16—MEDICAL ACTIVITIES

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 1. United Medical Administration should be created.

Recommendation No. 4. Following functions should be transferred to the United Medical Administration:

- (a) General and station hospitals of the Armed Forces in the United States, with certain exceptions.
- (b) Hospital functions of the Veterans' Administration in toto.
- (c) The four nonmilitary hospitals in the Canal Zone.
- (d) Hospitals of the Public Health Service.
- (e) Functions, facilities, and personnel of the Public Health Service.
- (f) St. Elizabeths Hospital should be transferred from Federal Security Agency to either the District of Columbia or the United Medical Administration.

Recommendation No. 5. Congress should define beneficiaries entitled to medical care from the Government and prescribe how this care should be given.

Recommendation No. 6. Inconsistency in policy between the Federal hospital construction program and Federal aid to non-Federal hospitals under the Hill-Burton Act should be ended.

Recommendation No. 11. Highest priority should be given to research, preventive medicine, public health and education.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 10. Survey should be made to determine the needs for emergency aid to medical schools.

All others.

Report No. 17—FEDERAL BUSINESS ENTERPRISES

A. Recommendations Which Have Not Been Acted Upon:

Recommendation No. 1. Government Corporation Control Act of 1945 should be revised to provide:

(b) Government stock in these corporations should be held by the President or by the head of such agency as he may direct.

(d) Major expenditures for capital additions should be made only with prior congressional approval and appropriation.

(e) In determining construction costs, all corporations should include a charge for interest on capital expenditures.

Recommendation No. 2. Government business enterprises should be required to surrender to the Treasury all United States securities held, up to the amount of capital furnished by the Government, and should receive in return non-interest-bearing credit in the Treasury.

Recommendation No. 3. Straight-line business activities should be incorporated.

Recommendation No. 7. As a general principle, receipts arising outside of normal activities should be paid into the Treasury, and sums needed by the agency should be appropriated by the Congress.

Recommendation No. 8. Congress should: (a) review power to make direct loans, and (b) in non-emergency periods, insure that normal credit channels are utilized to maximum extent possible, or provide for guaranty of loans made by private agencies.

Recommendation No. 13. National Capital Housing Authority should be placed directly under the Commissioners of the District of Columbia.

Recommendation No. 16. Readjustments of capital of the Commodity Credit Corporation on account of losses should be financed by appropriations, not by cancellation of notes.

Recommendation No. 17. Congress should consider giving the Secretary of Agriculture authority to develop a plan for farm lending service to tenant and other farmers:

(a) Set up a modest Government corporation under the Agricultural Credit Administrator.

(b)-(i) Implement proposal in (a). Cover such matters as activity of Land Bank and loan limits under corporation.

(j) Farmers Home Administration should be liquidated.

(k) and (l) Implement proposal in (j).

Recommendation No. 19. Congress might consider creation of a system of National Mortgage Discount Banks.

Recommendation No. 22. Alaska Railroad should be incorporated.

Recommendation No. 23. Washington National Airport should be incorporated.

B. Recommendations on Which a Review of the Effectiveness of Action Taken Appears Warranted:

Recommendation No. 1. Government Corporation Control Act of 1945 should be revised to provide:

(a) Borrowing powers, Government liability, and budgetary presentation of Government corporations should be made uniform for like classes of loans and like securities.

(c) Congress should determine the disposition of surpluses already earned by partly owned Government corporations, and should determine policies as to distribution of future surpluses.

(f) Boards or part-time boards should be wholly advisory and appointed by the President.

(g) Where corporations are located in other Government agencies, the agency heads or their representatives should serve as ex officio chairmen of their advisory boards.

Recommendation No. 4. Some agencies such as Post Office and Bureau of Reclamation should not be incorporated, but should be given flexibility of business practice, business form of budget accounting, and auditing systems, and should be required to set up their accounts to distinguish between capital and operating expenditures.

Recommendation No. 5. Congress should require Government business enterprises receiving appropriations for administrative expenses either to conduct their business so as to recover administrative expenses or to set out such subsidies as part of their requests for appropriations.

Recommendation No. 6. Both incorporated and unincorporated business enterprises should report to Congress each year the extent to which earned income fails to cover: (a) interest on Government capital; (b) losses on loans or investments; and (c) operating expenses.

Recommendation No. 14. Federal Intermediate Credit Banks, Banks for Cooperatives, and Production Credit Corporations should be merged into a single system, adopting the principle of mutualization.

Recommendation No. 15. Crop insurance premiums should include an amount for administrative expenses of the Federal Crop Insurance Corporation.

All others.

**Report No. 18—OVERSEAS ADMINISTRATION—FEDERAL-STATE RELATIONS—
FEDERAL RESEARCH**

All action completed.

APPENDIX A

A RECONCILIATION OF VARIOUS ESTIMATES OF THE
NUMBER OF RECOMMENDATIONS MADE BY THE HOOVER COMMISSION

Various official and unofficial estimates have been made of the number of recommendations of the Hoover Commission over the last four years. The principal ones are:

1. The Bureau of the Budget (1949)	288 Recommendations
2. Senate Committee on Expenditures in the Executive Departments (1949)	281 Recommendations
3. Senate Committee on Government Operations (1953)	276 Recommendations
4. Citizens Committee for the Hoover Report (1953)	273 Recommendations

The two latest estimates, made in 1953 (Items 3. and 4. above), differ only by three. This difference arises from three minor recommendations made by the Commission in its Concluding Report. They were counted by the Senate Committee as separate proposals; whereas the Citizens Committee considered them as parts of other recommendations.

These various estimates have led to some confusion. For this reason, the differences between them are explained below.

The differences between the 1953 estimates (Items 3. and 4. above) and the 1949 estimates (Items 1. and 2. above) are quite substantial. These variations are accounted for by differences in the method of computation used. In the 1953 estimates for example Interior Department Recommendation No. 3 is counted as one recommendation, whereas the 1949 computations count it as three recommendations. The recommendation in question is as follows:

"We recommend that the agencies listed below should be transferred to other offices or Departments, to which they are functionally more closely related:

- a. The Bureau of Indian Affairs to a new department for social security, education, and Indian affairs.
- b. The Bureau of Land Management (except minerals) to the Department of Agriculture.
- c. The Commercial Fisheries from the Fish and Wildlife Service to the Department of Commerce."

In the case of the National Security Organization, the recommendations, to take another case, are listed Nos. 1 through 6. By counting sub-recommendations, this was increased by eight in the 1949 computations.

There are also certain direct or implied recommendations which the Commission itself did not specifically so identify. Some of these are included in the texts of the reports but are not numbered and do not appear in boldface type. For example, in its report on Federal Personnel Management, the Commission stated in elaboration of Recommendation No. 2:

"The provision of the statute establishing the Tennessee Valley Authority, which makes mandatory the removal of appointing officers exercising political favoritism in making appointments, would be extended to the entire Federal service."

Similarly, in its report on the Department of Agriculture (Page 7) the Commission in commenting on the Department made what is in effect a recommendation as follows:

"We have urged in our first report that the foundation of good departmental administration is that the Secretary shall have authority from the Congress to organize and control his organization, and that separate authorities to subordinates be eliminated."

Here again in effect the Commission made a specific recommendation, but one which was not numbered. Hence this has not been included in the 1953 computations.

The Various Methods of Implementation Required

Another problem in this general matter of numerical computation arises from the various methods of implementation. It was estimated by the Bureau of the Budget in 1949 that the 288 recommendations in its computation called for 322 reorganization processes of the three following categories:

1. Legislation
2. Reorganization Plans submitted by the President
3. Administrative action

The difference between the number of recommendations and the number of reorganization processes required is accounted for by the fact that certain recommendations called for several types of action for full implementation. For example, Recommendation No. 9 in the Commission's Report on Post Office proposes that subsidies to airlines be separated from payments for the carriage of airmail. This recommendation has now been, in substance, accomplished through Reorganization Plan No. 10 of 1953. However, it will be necessary for the Congress, by means of appropriation legislation, to give the funds to the Civil Aeronautics Board rather than to the Post Office. While the latter type of action is more or less a routine matter, it does nevertheless constitute a second reorganization process, stemming from one recommendation of the Commission. In the computations here given the number of steps required are not included.

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A reconciliation of the Citizens Committee's 1953 estimate of the number of recommendations, with the two official 1949 estimates, is attached hereto.

RECONCILIATION OF ESTIMATES OF RECOMMENDATIONS MADE BY THE HOOVER COMMISSION

	(1) Citizens Committee Sept. 1, 1953	(2) Bureau of the Budget, 1949	(3) Reconciliation Columns (1) and (2)	(4) Senate Com. on Expendi- tures, 1949	(5) Reconciliation Columns (1) and (4)	(6) Reconciliation Columns (2) and (4)
1. General Management of the Execu- tive Branch	27	26	—1	27	Same	+1
2. Personnel Management	29	33	+4	29	Same	—4
3. Office of General Services	23	21	—2	25	+2	+4
4. The Post Office	9	9	Same	9	Same	Same
5. Foreign Affairs	22	22	Same	22	Same	Same
6. Department of Agriculture	16	11	—5	16	Same	+5
7. Budgeting and Accountng	18	14	—4	13	—5	—1
8. National Security Organization	6	14	+8	6	Same	—8
9. Veterans' Affairs	6	9	+3	12	+6	+3
10. Department of Commerce	14	17	+3	14	Same	—3
11. Treasury Department	10	10	Same	10	Same	Same
12. Regulatory Commissions	12	11	—1	12	Same	+1
13. Department of Labor	8	8	Same	8	Same	Same
14. Department of Interior	15	18	+3	15	Same	—3
15. Social Security, Education, and In- dian Affairs	17	17	Same	17	Same	Same
16. Medical Activities	11	10	—1	11	Same	+1
17. Federal Business Enterprises	23	30	+7	23	Same	—7
18. Overseas Administration, Federal- State Relations, Federal Research	7	8	+1	8	+1	Same
19. Concluding Report	—	—	—	4	+4	+4
TOTAL	273	288	+15	281	+8	—7



Citizens Committee for the Hoover Report

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